

Message Text

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ACTION EA-10

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E.O. 11652: N/A

TAGS: EAIR, BTRA (DALY, EDWARD), VS, CB, LA

SUBJECT: VISIT TO INDOCHINA

1. PLEASE FORWARD THE FOLLOWING MESSAGE FROM MR. EDWARD J. DALY, PRESIDENT AND CHAIRMAN OF THE BOARD OF WORLD AIRWAYS INC., TO PRESIDENT FORD AND SECRETARY KISSINGER AND PLEASE DELIVER A COPY TO COLONEL JACK REITER, VICE PRESIDENT OF GOVERNMENT AFFAIRS OF WORLD AIRWAYS.

2. QTE: IN THE PAST SIX DAYS I HAVE PERSONALLY MET WITH CHARGE' LEHMANN AND AMBASSADOR DEAN AND THE TOP US MILITARY AND USAID OFFICIALS IN BOTH SAIGON AND PHNOM PENH. IN THIS MESSAGE I WANT TO INFORM YOU OF THE SITUATION HERE AS I EVALUATE IT IN CONNECTION WITH THE RICE AIRLIFTS TO PHNOM PENH AND THE REFUGEE AIRLIFT FROM DANANG. THE STEPS I HAVE TAKEN TO MEET THESE NEEDS AND THE FURTHER ACTIONS WHICH I DEEM TO BE CRITICALLY ESSENTIAL.

3. FIRST, WITH REFERENCE TO THE PHNOM PENH NEEDS, THE SUPPLY OF RICE IS DOWN TO A TEN DAY LEVEL AND THE DAILY RICE AIRLIFT NOW MOVING INTO PHNOM PENH IS ABOUT 500 TONS COMPARED TO THE DAILY CONSUMPTION RATE OF 700. THUS, UNLESS THE AIRLIFT IS INCREASED IMMEDIATELY, PHNOM PENH WILL BE ON ITS KNEES. THE SUPPLY OF AMMUNITION IS ONLY SLIGHTLY BETTER. WITH THE KHMER ROUGE REPUTATION FOR TAKING NO PRISONERS, A HUMAN SLAUGHTER OF MASSIVE PROPORTION IS IMMINENT, UNLESS THE RICE AIRLIFT IS EXPANDED. TOWARD THIS END, WORLD HAS MADE ARRANGEMENTS AT GREAT COST TO RETAIN INDEFINITELY ON THE RICE AIRLIFT THE TWO

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STRETCHED DC-8AIRCRAFT THAT HAVE BEEN PERFORMING ABOUT 60 PERCENT

OF THE RICE AIRLIFTS SINCE IT BEGAN IN FEBRUARY. WE HAVE HAD TO LAY-OFF COMMERCIAL CHARTER COMMITMENTS TO OTHER CARRIERS AT A HEAVY PRICE PENALTY AND AT THE EXTREME DISPLEASURE OF VALUED CLIENT. HOWEVER, AFTER PERSONALLY SEEING THE SITUATION AS IT EXISTS HERE, ANYONE WITH COMPASSION FOR HUMAN SUFFERING COULD NOT DO OTHERWISE.

4. EVEN WITH RETENTION OF OUR DC-8'S IN THE RICE AIRLIFT, THERE IS A SERIOUS SHORTFALL. WE STAND READY TO PLACE OUR 747 CARGO AIRCRAFT IN THIS PROGRAM BEGINNING APRIL 8 FOR A SEVEN DAY PERIOD, MOVING 1,000,000 POUNDS, OR 500 TONS, EACH DAY. UNTIL NOW, THE MILITARY AIRLIFT COMMAND HAS FAILED TO ACCEPT OUR OFFER OF THE 747 FOR THIS LIFT,

EVEN THOUGH IT WILL MOVE 125 TONS PER TRIP, COMPARED TO 45 TONS FOR THE

DC-8, AND AT A COST PER TON OF ONE-THIRD LESS THAN THE DC-8. THE APPARENT REASONS FOR THIS POSITION HAS BEEN A RELUCTANCE TO BEAR THE EXPOSURE TO LOSS OF A \$35 MILLION DOLLAR 747 COMPARED TO A \$14 MILLION

DOLLAR DC-8. HOWEVER, THE 747 EXPOSURE OF \$35 MILLION ON THE GROUND FOR

40 MINUTES AT PHNOM PENH IS APPROPRIATELY COMPARED TO THE EXPOSURE OF THREE \$14 MILLION DC-8'S EACH HAVING GROUND TIME OF 20 MINUTES, OR A TOTAL OF 60 MINUTES. THUS, FOR THE SAME RICE TONNAGE, THE \$35 MILLION 747 EXPOSURE OF 40 MINUTES COMPARES TO THE \$42 MILLION DC-8 EXPOSURE OVER 60 MINUTES.

5. CONCERNING THE REFUGEE AIRLIFT, WORLD PLACED ONE 727 INTO SERVICE MOVING REFUGEES FROM DANANG TO SAIGON BEGINNING MARCH 24, AND THROUGH TODAY, MARCH 27, WE WILL HAVE OPERATED 14 FLIGHTS OUT OF DANANG, CARRYING IN EXCESS OF 2000 REFUGEES. TOMORROW, WE ARE RECALLING

FROM LEASE FROM A JAPAN DOMESTIC AIRLINE A SECOND 727 WHICH WILL DOUBLE OUR CAPABILITY BEGINNING SATURDAY MORNING. AT YAKOTA AIR FORCE BASE, WORLD HAS TWO 727 AIRCRAFT ENGAGED IN INTER-BASE SERVICES FOR THE MILITARY AIRLIFT COMMAND, EACH AIRCRAFT BEING UTILIZED

AT ABOUT EIGHT HOURS PER DAY. WE PLAN TO MOVE ONE OF THESE TWO AIRCRAFT INTO THE REFUGEE AIRLIFT FROM DANANG BEGINNING SATURDAY LIMITED OFFICIAL USE

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MORNING; THE ONE REMAINING AIRCRAFT AT YAKOTA HAS THE CAPABILITY OF OPERATION 12 HOURS PER DAY AND THE OTHER 4 HOURS OF UTILIZATION CAN BE

TEMPORARILY HANDLED BY MAC AIRCRAFT BASED IN JAPAN AND KOREA, ALTHOUGH

MAC HAS YET TO AGREE TO THIS PLANNED ACTION.

6. THE URGENCY OF IMMEDIATE EXPANSION OF THE DANANG REFUGEE AIRLIFT

RELATES AGAIN TO THE INHUMANE TREATMENT OF CIVILIAN AND MILITARY OF SOUTH VIETNAMESE BY THE VIET CONG AND NORTH VIETNAMESE FORCES. SHOULD FOR ANY REASON OUR 747 NOT BE EMPLOYED IN THE RICE AIRLIFT DURING ITS AVAILABILITY WE ARE PREPARED TO MAKE IT AVAILABLE FOR THE REFUGEE AIRLIFT OUT OF DANANG TO PHAN RANG, CAM RANH BAY OR SAIGON, ALL AIRPORTS CAPABLE OF HANDLING THE 747.

7. MY STRONG AND SYMPATHETIC CONCERN IN THE PHNOM PENH AND DANANG CRISES IS THE RESULT OF MY PERSONAL OBSERVATIONS HERE AND MY DISCUSSIONS

WITH THE AFOREMENTIONED US GOVERNMENT OFFICIALS. I AM THEREFORE MAKING THIS APPEAL TO YOU TO TAKE THE POSITIVE STEPS NEEDED TO AVERT THE PROBLEMS THAT WILL OTHERWISE RESULT. I AM WITHHOLDING MY VIEWS ON THE ABOVE FROM THE NEWS MEDIA TO THE FULLEST EXTENT POSSIBLE UNTIL I HAVE YOUR ADVICE AS TO THE ACTIONS TO BE TAKEN WITH REGARD TO THE ABOVE. THUS, I WOULD APPRECIATE RECEIVING FROM THE STATE DEPARTMENT AN ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING OF THIS MESSAGE. RESPECTFULLY YOURS, EDWARD J. DALY, PRESIDENT AND CHAIRMAN OF THE BOARD WORLD AIRWAYS INC. UNQTE
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